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Consolidated Financial Results for the Year Ended March 31, 2021 [Japanese GAAP]

May 10, 2021

Company name: TOSHIBA TEC CORPORATION

Stock exchange listing: Tokyo

Code number: 6588

URL: <https://www.toshibatec.co.jp/>

Representative: Hironobu Nishikori

President and CEO

Contact: Akira Abe

Senior Manager of Corporate Communications Division

Phone: 03-6830-9151

Scheduled date of Annual General Meeting of Shareholders: June 28, 2021

Scheduled date of commencing dividend payments: June 07, 2021

Scheduled date of filing annual securities report: June 28, 2021

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 01, 2020 to March 31, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2021	405,694	(16.1)	8,263	(40.9)	7,193	(37.8)	7,126	91.0
March 31, 2020	483,799	1.5	13,977	(22.3)	11,559	(29.8)	3,730	(66.7)

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥ 14,128 million [-%]
Fiscal year ended March 31, 2020: ¥ (1,383) million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2021	129.55	129.46	7.5	2.5	2.0
March 31, 2020	67.84	67.76	4.2	4.1	2.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2021: ¥ - million
Fiscal year ended March 31, 2020: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2021	289,313	109,862	35.5	1,867.01
March 31, 2020	288,473	96,384	30.3	1,589.48

(Reference) Equity: As of March 31, 2021: ¥ 102,710 million
As of March 31, 2020: ¥ 87,399 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2021	9,240	(9,573)	(4,309)	51,753
March 31, 2020	20,751	(13,844)	(7,051)	53,302

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2020	-	20.00	-	10.00	30.00	1,649	44.2	1.8
March 31, 2021	-	0.00	-	20.00	20.00	1,100	15.4	1.2
Fiscal year ending March 31, 2022 (Forecast)	-	20.00	-	-	-		-	

(Note) The forecast for dividends of year end is undecided.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 01, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	420,000	3.5	21,000	154.1	18,000	150.2	10,000	40.3	181.79

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2021: 57,629,140 shares

March 31, 2020: 57,629,140 shares

2) Total number of treasury shares at the end of the period:

March 31, 2021: 2,616,163 shares

March 31, 2020: 2,642,915 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2021: 55,006,249 shares

Fiscal Year ended March 31, 2020: 54,979,836 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 01, 2020 to March 31, 2021)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	216,332	(19.6)	(2,169)	-	1,297	(84.7)	8,437	-
March 31, 2020	268,970	7.8	7,149	33.4	8,503	2.0	279	(96.9)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2021	153.38	153.27
March 31, 2020	5.07	5.06

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2021	197,459	83,476	42.2	1,516.35
March 31, 2020	199,090	75,126	37.7	1,364.27

(Reference) Equity: As of March 31, 2021: ¥ 83,419 million
As of March 31, 2020: ¥ 75,016 million

Consolidated Financial Statement

Consolidated Balance Sheet

(Million yen)

	As of March 31,2020	As of March 31,2021
Assets		
Current assets		
Cash and deposits	44,907	42,179
Group deposits paid	8,394	10,064
Notes and accounts receivable - trade	59,701	63,928
Merchandise and finished goods	33,502	31,582
Work in process	4,974	4,376
Raw materials and supplies	8,026	6,944
Other	30,435	24,115
Allowance for doubtful accounts	(1,393)	(1,394)
Total current assets	188,549	181,797
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,657	24,554
Accumulated depreciation	(17,831)	(18,480)
Buildings and structures, net	5,825	6,074
Machinery, equipment and vehicles	45,252	49,532
Accumulated depreciation	(34,685)	(39,399)
Machinery, equipment and vehicles, net	10,566	10,133
Tools, furniture and fixtures	41,155	40,983
Accumulated depreciation	(36,183)	(35,856)
Tools, furniture and fixtures, net	4,971	5,126
Land	1,268	1,270
Leased assets	30,294	33,981
Accumulated depreciation	(9,122)	(12,814)
Leased assets, net	21,171	21,167
Construction in progress	2,241	1,395
Total property, plant and equipment	46,046	45,168
Intangible assets		
Goodwill	2,377	1,633
Customer relationship assets	426	355
Other	9,572	9,521
Total intangible assets	12,376	11,510
Investments and other assets		
Investment securities	4,276	5,170
Retirement benefit asset	1,908	4,621
Deferred tax assets	21,869	27,367
Other	13,466	13,768
Allowance for doubtful accounts	(19)	(91)
Total investments and other assets	41,501	50,837
Total non-current assets	99,924	107,516
Total assets	288,473	289,313

(Million yen)

	As of March 31,2020	As of March 31,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	54,775	48,509
Short-term borrowings	346	542
Lease obligations	7,043	7,178
Accounts payable - other	22,101	20,809
Income taxes payable	3,845	1,375
Unearned revenue	12,157	15,014
Other	30,201	31,917
Total current liabilities	130,471	125,346
Non-current liabilities		
Long-term borrowings	804	1,019
Lease obligations	18,747	18,484
Retirement benefit liability	35,861	26,624
Other	6,204	7,976
Total non-current liabilities	61,617	54,104
Total liabilities	192,088	179,450
Net assets		
Shareholders' equity		
Share capital	39,970	39,970
Capital surplus	24	57
Retained earnings	46,040	52,616
Treasury shares	(5,422)	(5,372)
Total shareholders' equity	80,612	87,273
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,208	1,681
Deferred gains or losses on hedges	(4)	(16)
Foreign currency translation adjustment	7,795	10,805
Minimum pension liability adjustments	(521)	(832)
Remeasurements of defined benefit plans	(1,691)	3,799
Total accumulated other comprehensive income	6,786	15,436
Share acquisition rights	110	57
Non-controlling interests	8,873	7,094
Total net assets	96,384	109,862
Total liabilities and net assets	288,473	289,313

Consolidated Statement of Income and Comprehensive Income
 Consolidated Statement of Income

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Net sales	483,799	405,694
Cost of sales	289,093	243,421
Gross profit	194,706	162,272
Selling, general and administrative expenses	180,728	154,009
Operating profit	13,977	8,263
Non-operating income		
Interest income	364	272
Dividend income	84	46
Foreign exchange gains	-	832
Other	599	484
Total non-operating income	1,049	1,635
Non-operating expenses		
Interest expenses	522	506
Loss on valuation of derivatives	150	673
Foreign exchange losses	920	-
Loss on sale and retirement of non-current assets	181	48
Commission expenses	-	353
Other	1,692	1,123
Total non-operating expenses	3,467	2,705
Ordinary profit	11,559	7,193
Extraordinary income		
Gain on sale of investment securities	18	-
Reversal of environmental expenses	-	284
Total extraordinary income	18	284
Extraordinary losses		
Impairment loss of noncurrent assets	85	-
Loss on valuation of investment securities	13	25
Restructuring cost	589	7,628
Environmental expenses	729	-
Total extraordinary losses	1,418	7,653
Profit (loss) before income taxes	10,159	(176)
Income taxes - current	5,242	1,212
Income taxes - deferred	1,394	(6,614)
Total income taxes	6,636	(5,402)
Profit	3,522	5,225
Loss attributable to non-controlling interests	(207)	(1,900)
Profit attributable to owners of parent	3,730	7,126

Consolidated Statement of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Profit	3,522	5,225
Other comprehensive income		
Valuation difference on available-for-sale securities	(627)	473
Deferred gains or losses on hedges	(25)	(12)
Foreign currency translation adjustment	(1,710)	3,263
Minimum pension liability adjustment	(62)	(311)
Remeasurements of defined benefit plans, net of tax	(2,480)	5,490
Total other comprehensive income	(4,906)	8,902
Comprehensive income	(1,383)	14,128
Comprehensive income attributable to		
Owners of parent	(781)	15,776
Non-controlling interests	(601)	(1,648)

Consolidated Statement of Changes in Net Assets

For the fiscal year ended March 31,2020

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	39,970	-	45,103	(5,474)	79,599
Cumulative effects of changes in accounting policies			(44)		(44)
Restated balance	39,970	-	45,058	(5,474)	79,554
Changes during period					
Dividends of surplus			(2,748)		(2,748)
Profit attributable to owners of parent			3,730		3,730
Purchase of treasury shares				(10)	(10)
Disposal of treasury shares		24		62	86
Net changes in items other than shareholders' equity					
Total changes during period	-	24	981	52	1,058
Balance at end of period	39,970	24	46,040	(5,422)	80,612

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Minimum pension liability adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,835	21	9,111	(458)	788	11,298	147	9,712	100,758
Cumulative effects of changes in accounting policies									(44)
Restated balance	1,835	21	9,111	(458)	788	11,298	147	9,712	100,713
Changes during period									
Dividends of surplus									(2,748)
Profit attributable to owners of parent									3,730
Purchase of treasury shares									(10)
Disposal of treasury shares									86
Net changes in items other than shareholders' equity	(627)	(25)	(1,315)	(62)	(2,480)	(4,511)	(36)	(838)	(5,387)
Total changes during period	(627)	(25)	(1,315)	(62)	(2,480)	(4,511)	(36)	(838)	(4,328)
Balance at end of period	1,208	(4)	7,795	(521)	(1,691)	6,786	110	8,873	96,384

For the fiscal year ended March 31,2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	39,970	24	46,040	(5,422)	80,612
Cumulative effects of changes in accounting policies					-
Restated balance	39,970	24	46,040	(5,422)	80,612
Changes during period					
Dividends of surplus			(549)		(549)
Profit attributable to owners of parent			7,126		7,126
Purchase of treasury shares				(12)	(12)
Disposal of treasury shares		33		62	95
Net changes in items other than shareholders' equity					
Total changes during period	-	33	6,576	50	6,660
Balance at end of period	39,970	57	52,616	(5,372)	87,273

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Minimum pension liability adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,208	(4)	7,795	(521)	(1,691)	6,786	110	8,873	96,384
Cumulative effects of changes in accounting policies									-
Restated balance	1,208	(4)	7,795	(521)	(1,691)	6,786	110	8,873	96,384
Changes during period									
Dividends of surplus									(549)
Profit attributable to owners of parent									7,126
Purchase of treasury shares									(12)
Disposal of treasury shares									95
Net changes in items other than shareholders' equity	473	(12)	3,010	(311)	5,490	8,650	(53)	(1,779)	6,817
Total changes during period	473	(12)	3,010	(311)	5,490	8,650	(53)	(1,779)	13,478
Balance at end of period	1,681	(16)	10,805	(832)	3,799	15,436	57	7,094	109,862

Consolidated Statement of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Cash flows from operating activities		
Profit (loss) before income taxes	10,159	(176)
Depreciation and amortization	16,629	15,884
Loss (gain) on sales of investment securities	(18)	-
Reversal of environmental expenses	-	(284)
Impairment loss of noncurrent assets	85	-
Loss (gain) on valuation of investment securities	13	25
Restructuring cost	589	7,628
Environmental expenses	729	-
Interest and dividend income	(449)	(318)
Interest expenses	522	506
Loss (gain) on sale and retirement of non-current assets	181	48
Increase (decrease) in allowance for doubtful accounts	(148)	22
Increase (decrease) in retirement benefit liability	(1,721)	(4,106)
Decrease (increase) in trade receivables	(1,267)	(1,046)
Decrease (increase) in inventories	(4,307)	4,989
Increase (decrease) in trade payables	543	(8,788)
Other, net	3,370	8,776
Subtotal	24,913	23,161
Interest and dividends received	419	346
Interest paid	(509)	(508)
Payment for extra retirement payments	-	(7,505)
Income taxes paid	(4,480)	(6,319)
Income taxes refund	408	66
Net cash provided by (used in) operating activities	20,751	9,240
Cash flows from investing activities		
Payments into time deposits	-	(450)
Purchase of property, plant and equipment	(9,922)	(6,986)
Proceeds from sale of property, plant and equipment	194	383
Purchase of intangible assets	(2,740)	(2,128)
Purchase of investment securities	(1,254)	(316)
Proceeds from sale of investment securities	22	11
Net decrease (increase) in short-term loans receivable	(34)	57
Long-term loan advances	(1)	(3)
Proceeds from collection of long-term loans receivable	7	7
Payments for acquisition of businesses	-	(124)
Other, net	(115)	(23)
Net cash provided by (used in) investing activities	(13,844)	(9,573)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	13	(291)
Repayments of finance lease obligations	(4,856)	(3,932)
Proceeds from long-term borrowings	834	609
Repayments of long-term borrowings	(3)	-
Purchase of treasury shares	(10)	(12)
Dividends paid	(2,745)	(552)
Dividends paid to non-controlling interests	(284)	(130)
Net cash provided by (used in) financing activities	(7,051)	(4,309)
Effect of exchange rate change on cash and cash equivalents	(2,051)	3,093
Net increase (decrease) in cash and cash equivalents	(2,196)	(1,549)
Cash and cash equivalents at beginning of period	55,498	53,302
Cash and cash equivalents at end of period	53,302	51,753